GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:958
ANSWERED ON:22.07.2016
Conversion of Cooperative Banks
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government has any proposal to convert the top cooperative banks in the country to scheduled/nationalised banks;

(b) if so, the details thereof along with the guidelines adopted for the selection of these banks; and

(c) the extent to which this conversion of banks is likely to be beneficial to both banks" employees and customers?

Answer

The Minister of State in the Ministry of Finance

(a): Scheduled Banks are those which are included in the Second Schedule of the Reserve Bank of India Act, 1934. Reserve Bank of India (RBI) includes those banks in this schedule, which satisfy the criteria stipulated in Section 42 (6) (a) of Reserve Bank of India Act, 1934. There are already a number of State Cooperative Banks and Urban Cooperative Banks, which have been included in the Second Schedule of the Reserve Bank of India Act, 1934 and thus are scheduled banks.

There is no proposal under Government's consideration to convert the cooperative banks in the country to nationalized banks.

(b) & (c): Does not arise.